



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
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First District

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Second District

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Fifth District

May 20, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF FUNDING AGREEMENT  
WITH THE PLAZA DE CULTURA Y ARTE FOUNDATION  
AND RELATED APPROPRIATION ADJUSTMENT  
(FIRST DISTRICT AFFECTED) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Chief Administrative Officer to execute the attached funding agreement with the Plaza de Cultura Y Arte Foundation (the Foundation) to provide \$8,177,000 in County funds to the Foundation for planning and related activities in support of the rehabilitation, development, programming and maintenance of the County's properties within the Antique Block of the El Pueblo de Los Angeles.
2. Approve the attached appropriation adjustment, in the amount of \$7,184,000, to transfer funds from the El Pueblo Improvements Capital Project (C.P. No. 77365) to the Project and Facility Development Budget to effectuate the transfer of funds to the Foundation under the proposed Agreement.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will allow the Foundation to utilize funding appropriated within the County's 2002-03 Budget to implement planning activities related to the cultural center proposed for the County's historic properties within the El Pueblo de Los Angeles area.

On September 10, 2002, your Board authorized the Chief Administrative Officer to negotiate with the Foundation for the lease, development, operation and maintenance of the County's El Pueblo properties, roughly bounded by Main Street, Cesar Chavez Avenue, Arcadia Street and Hill Street.

In the intervening months, it has become apparent that, in order to finalize the terms and conditions of any lease and operating agreement, additional planning efforts need to be undertaken to fully develop capital improvement and operational strategies to ensure the long-term success of the cultural center.

The funding agreement will grant to the Foundation \$8,177,000, which represents all of the funds remaining from the original \$10 million allocated to the El Pueblo Improvements Project in Fiscal Year 1999-2000, except for \$155,000 that will be retained by the County in order to complete the environmental document and related efforts currently underway. Of the original allocation, \$1 million was retained in the Project and Facility Development Budget to fund feasibility studies as necessary, and \$993,000 of that amount is remaining within that budget unit. The recommended appropriation adjustment will transfer \$7,184,000 from the El Pueblo Improvements Project (C.P. No. 77365) to the Project and Facility Development Budget to fully fund the agreement.

Under the terms of the agreement, the Foundation may use the funds for pre-construction costs, including but not limited to architectural and engineering services, project management, technical studies and community outreach; legal and administrative costs necessary to appropriately plan and provide for the ongoing operation and maintenance of the property prior to and after any development and rehabilitation; consultant services and/or staff to prepare proposals and applications for private and non-private funding sources, conduct market research, development of fundraising materials and feasibility studies; and other costs as may be appropriate to ensure the viability of any future development.

### **Implementation of Strategic Plan Goals**

Approval of this action is consistent with the Strategic Plan Goal of Fiscal Responsibility by increasing the County's Public-Private Partnerships.

### **FISCAL IMPACT/FINANCING**

The El Pueblo Improvements Project is funded by net County cost originally allocated in the Fiscal Year 1999-2000 budget. Of the \$10 million originally allocated, \$9 million has been appropriated in the Capital Projects Budget and \$1 million was retained in the Project and Facility Development Budget.

To date, the County has expended or has executed contracts totaling \$1,668,000 for various work efforts in support of the project, of which \$7,000 was expended from the Project and Facility Development Budget and \$1,661,000 from the Capital Projects Budget.

The appropriation adjustment will transfer \$7,184,000 of funds from the capital project (C.P. No. 77365) to the Project and Facility Development Budget to fully fund the agreement with the Foundation, leaving \$155,000 in the Capital Projects Budget to allow the County to complete its work efforts, including preparation of an Environmental Impact Report for any improvements to the property.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In January 2002, the Plaza De Cultura Y Arte Foundation, a 501 (c) 3 non-profit public benefit corporation, was established for the primary purpose of supporting the County in its efforts to rehabilitate and develop its El Pueblo properties as a visitor, educational and cultural center to celebrate the founding of Los Angeles and its rich and diverse cultures. To be known as the Plaza de Cultura Y Arte, the cultural center is anticipated to be a multi-phase project that will redevelop the County's historical properties within the El Pueblo de Los Angeles Antique Block, roughly bounded by North Main Street, Spring Street, Cesar E. Chavez Avenue and Arcadia Street. Currently, plans for the area include a memorial garden and courtyard, arts and educational center, a visitors' center, museum/gallery space, theater, and pedestrian improvements.

Supervisor Molina currently serves as the Chair of the Board of Directors and President of the Foundation. Additionally, Supervisor Molina's Chief of Staff, Alma Martinez, is a director. The directors and officers of the Foundation do not benefit financially from serving in those positions. As the Foundation's primary purpose is to support your Board in the rehabilitation and development of the El Pueblo properties, County Counsel has advised that the conflict of interest laws would not preclude the County from entering into this funding agreement with the Foundation. Further, the laws would not limit Supervisor Molina's ability to participate in the County's discussions or decisions regarding the funding agreement provided her affiliation with the Foundation is noted in the official record at the time of any decision.

### **ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the California Environmental Quality Act because it provides a funding mechanism only without Board commitment to specific improvements, programming or operational plans for the site. Any proposed improvements or programming and operational plans resulting from the planning efforts and studies undertaken under this agreement will be required to undergo the applicable environmental review and the

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appropriate environmental document will be prepared for consideration by your Board.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This action will have no impact on any other County services or projects as the funding has been identified and budgeted for the County's El Pueblo properties.

**CONCLUSION**

Please return one conformed copy of this action to the Chief Administrative Office (Capital Projects).

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:JSE:DJT  
KW:mdc

Attachments (2)

c: County Counsel  
Auditor-Controller